

June 1, 1978

Honorable Mayor and City Council  
San Luis Obispo, California

*Administrative officer*

Gentlemen:

Budget Message

*Municipal budgets -- CA -- San Luis Obispo  
San Luis Obispo -- Approp. and expends.*

Presented herewith is the proposed budget for 1978-79 with expenditures balanced against beginning balances and anticipated revenues.

The total of \$12,928,821 is \$863,339 or 7.2% greater than this year's beginning figure of \$12,065,482. The operating budget of \$9,296,371 is \$647,349 or 7.5% more than this year's total of \$8,649,022. The capital budget of \$3,632,450 is \$215,990 or 6.3% greater than this year's \$3,416,460. However, this could be increased to include several additional capital projects if the Jarvis-Gann Initiative were to fail.

Jarvis Impacts

The budget has been prepared on the assumption that Jarvis would pass, and this has naturally meant that we have taken a conservative approach to any suggested new programs. In fact, if my proposals are accepted, some cuts in social service and promotional programs would be made if Jarvis passes, but some of these cuts could be restored if Jarvis fails.

The bulk of increases in the operating budget are suggested for the public safety services (fire and police), for parks and recreation, and for the water utility. The fire budget would be up \$148,453 or 12.3%, partly due to increased expenses in connection with the opening of Fire Station No. 4 in the Los Osos Valley area, but also due to the need to provide special equipment for the new aerial ladder truck and to accelerate replacement programs for fire hose and safety equipment items. Expenses for parks and recreation would be up \$84,310 or 12% because of the cost of operating the new swimming pool and because of inflationary pressures in various cost centers throughout the operation. There was also a perceived need for a series of minor projects, e.g. repair horse shoe courts, heater for junior rifle range, leach lines for the baseball field, bleachers and other improvements at Santa Rosa Park, etc. The police budget would be up \$93,768 or 6.3%, largely due to increased expenses to man the combined police-fire dispatch center but also because of the heavier than normal requirements for vehicle replacement next year. The water budget would be up \$141,296 or 9.7% because of increased expenses at the Whale Rock Project in case a fishing program is mandated and also to provide for the build up of an operating reserve for the Salinas River Dam Project in the county budget.

Personnel

37 additional positions were requested and we are recommending 11 as follows:

- 5 Police Dispatcher Clerks (7 months starting December 1)
- 1 Fire Fighter
- 1 Planning Technician
- 1 Building Inspector (6 months starting January 1 if needed)
- 1 Accounting Technician in Engineering Division (10 months starting September 1)
- 1 Swim Pool Maintenance Technician (3 months starting April 1)
- 1 Public Works Inspector

If Jarvis fails we would propose to add 1 additional Fire Fighter, 1 Police Officer, 1 Planning Associate (Landscape Architect), and an additional Social Service Assistant for a one-year period unless CETA funding became available for this purpose.

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### Salary Adjustments

The proposed budget includes projections for normal step increases and for some cost-of-living increases depending on the results of meet-and-confer sessions with city employee groups.

### Equipment

The budget provides for planned replacement of 18 pieces of automotive equipment at a cost of \$113,820. Four of these pieces of equipment would be retained and added to the fleet and would no longer accumulate reserves for replacement. Their reserves would be used at this time to purchase the new pieces of equipment.

Five new pieces of equipment have been proposed for purchase in next year's budget out of 14 requested. Total cost: \$24,820.

Items recommended: Van for Police Department  
Hatchback sedan for Recreation Department  
Pick-up truck for Swim Pool Maintenance  
Compact sedan for Fire Department  
Used military wrecker for Street Department

### Budget Highlights

#### General Fund Subsidy to Parks and Recreation

Because of reduced Parks and Recreation property taxes anticipated as a result of "Jarvis" and increased budget requirements (recreation programs, landscape maintenance, swim pool operations, etc.), the general fund subsidy is estimated at \$587,700 for next year compared with this year's \$387,500.

### Capital Budget

As noted above, the capital budget would be slightly higher than this year, but general capital outlays including revenue sharing would be down \$195,250 if Jarvis passed, and street expenditures would be up \$411,240 due to various factors such as rebudgeting of carry-over projects and increased revenue sources (for next year only).

### Programs and Innovations

The city is proposing to embark on a program of partial self-insurance for liability cooperating with the other cities in the county. This year the six cities began a program for worker's compensation coverage on a partial self-insurance basis with satisfactory results to date. Our city is also planning on insuring itself for recently mandated unemployment insurance.

Sometime during the next year the city hopes to begin operation of the following three projects:

- (1) Fire Station No. 4
- (2) The Olympic-sized swim pool
- (3) A combined police-fire dispatch center eventually tying in with an emergency "911" telephone system.

The council had asked us to explore the possibilities of buying the golf course on a three-year installment basis, but the City Attorney has advised that under the California State Constitution, we could not do this unless we tied up the entire purchase price in a restricted reserve. Therefore, we are proposing that we make the purchase at this time and thus save some \$30,000 a year in lease payments and taxes. We are likewise proposing that we purchase the aerial ladder truck outright because of recent increases in the prime interest rate which would be charged us if we entered into a lease-purchase agreement.

On a different subject, it is proposed that the city continue Bob Anderson as a staff writer on a permanent basis with half his time being charged to Planning and half to the City Clerk's Office.

The first thing I noticed when I stepped out of the car was the cold. It was a sharp contrast to the warm blanket of the car. I shivered slightly as I walked towards the building.

My heart was racing.

I had never been to this place before. The architecture was unfamiliar, the streets were empty, and the people I saw seemed to be from another world. I felt like an outsider.

I had heard that this was a beautiful city, but I didn't realize how different it would be. I was in for a surprise.

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We propose to purchase a \$57,000 T.V. camera and grouting equipment for sewer line maintenance which should help us to reduce storm water intrusion.

#### Budget Deletions

Among the items taken out of the departmental budget requests were the following:

(Dollar amounts are approximate)

26 new positions deleted out of 37 requested	\$400,000
9 pieces of automotive equipment deleted out of 14 requested	44,460
Community advertising program cuts	8,600
Planning and research for same	1,650
Grants of promotional funds to community organizations	3,800
Contingencies for promotional programs	600
Social service program cuts	19,130
Magnetic Card Selectric Typewriters for City Attorney and Planning Office	5,820
Lockbox Collection Service for Finance Department	6,500
Partial reduction of personnel testing services	4,000
Overtime for janitors, government buildings	2,000
Office and radio units for Public Services Administration	1,980
Radio Unit for shop vehicle	1,050
Various pieces of equipment for park maintenance	56,280
Project for park and building maintenance division	1,800
Parking lot resurfacings (partial cuts)	16,340
Whale Rock fishing program cut from \$104,000 to \$50,000	54,000
Other Whale Rock cuts	7,250
Part-time drafting help for Recreation Department	2,700
Partial cut in police overtime from \$59,500 to \$55,000	4,500
Other cuts in police operating expenses	3,600
Cuts in police equipment	28,690
Cuts in Fire Department operating expenses	97,500
Cuts in equipment and projects for Fire Department	84,600
Total	<u>\$856,850</u>

#### Conclusion

Judging public attitudes is a difficult task, but this year it seems to be much more risky than usual. There seems to be an emotional reaction against government and its spenders, but at the same time, people want government services.

My sense is that while they especially want effective safety services (fire and police), they desire good streets and utilities and are asking for more and more parks and recreation facilities and programs.

With the help of our department heads, I believe we have developed a balanced program of services for the community.

It is also fortunate that in past years we have been able to reserve a rather sizeable percentage of our annual budget for capital items which can be cut back if circumstances dictate. I urge the council to continue this practice in the interest of prudent fiscal management.

#### Acknowledgements

My special thanks to Finance Director, Rudy Muravez and his staff for their invaluable assistance and to City Clerk, J.H. Fitzpatrick for his advice and counsel.

Sincerely,



Richard D. Miller  
Administrative Officer

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Eugene C. Lee inquiry of June 2, 1978  
pertaining to Jarvis impacts and  
reactions